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## *Attorneys for Debtors and Reorganized Debtors*

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re:

## PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

## Debtors.

- Affects PG&E Corporation
- Affects Pacific Gas and Electric Company
- Affects both Debtors

*\* All papers shall be filed in the Lead Case, No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

## Chapter 11

(Lead Case) (Jointly Administered)

# **REORGANIZED DEBTORS' SEVENTY-FIFTH OMNIBUS OBJECTION TO CLAIMS (NO LIABILITY CLAIMS)**

**Response Deadline:  
May 12, 2021, 4:00 p.m. (PT)**

### **Hearing Information If Timely Response Made:**

Date: May 26, 2021

Time: 10:00 a.m. (Pacific Time)

Place: (Telephonic Appearances Only)  
United States Bankruptcy Court  
Courtroom 17, 16th Floor  
San Francisco, CA 94102

1 TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY  
2 JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED  
2 CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:

3 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as  
4 debtors and reorganized debtors (collectively, “**PG&E**” or the “**Debtors**” or as reorganized pursuant to  
5 the Plan (as defined below), the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases (the  
6 “**Chapter 11 Cases**”) hereby submit this Seventy-Fifth Omnibus Objection (the “**Objection**”) to the  
7 Proofs of Claim (as defined below) identified in the column headed “Claims To Be Disallowed and/or  
8 Expunged” on **Exhibit 1** annexed hereto.

9 **I. JURISDICTION**

10 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*  
11 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and  
12 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern  
13 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28  
14 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The  
15 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the  
16 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (collectively, the  
17 “**Bankruptcy Rules**”).

18 **II. BACKGROUND**

19 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary  
20 cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the  
21 Debtors continued to operate their businesses and manage their properties as debtors in possession  
22 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed  
23 in either of the Chapter 11 Cases. The Chapter 11 Cases are being jointly administered for procedural  
24 purposes only pursuant to Bankruptcy Rule 1015(b).

25 Additional information regarding the circumstances leading to the commencement of the Chapter  
26 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in the  
27 *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief* [Docket  
28 No. 263].

1       On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*  
2 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*  
3 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*  
4 *Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential*  
5 *Creditors* [Docket No. 2806] (the “**Bar Date Order**”). The Bar Date Order set the deadline to file all  
6 proofs of claim (each, a “**Proof of Claim**”) in respect of any prepetition claim (as defined in section  
7 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire  
8 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the  
9 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and  
10 priority claims, against either of the Debtors as October 21, 2019 at 5:00 p.m. Pacific Time (the “**Bar**  
11 **Date**”). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire  
12 Claimants to December 31, 2019 [Docket No. 4672]<sup>1</sup>; and subsequently with respect to certain claimants  
13 that purchased or acquired the Debtors’ publicly held debt and equity securities and may have claims  
14 against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

15       By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors’*  
16 *and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be  
17 further modified, amended or supplemented from time to time, and together with any exhibits or  
18 scheduled thereto, the “**Plan**”). The Effective Date of the Plan occurred on July 1, 2020 (the “**Effective**  
19 **Date**”). *See* Dkt. No. 8252.

20 **III. RELIEF REQUESTED**

21       The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code,  
22 Bankruptcy Rule 3007(d)(5), Bankruptcy Local Rule 3007-1, and the *Order Approving (A) Procedures*  
23 *for Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*  
24 *Objections*, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”),  
25 seeking entry of an order disallowing and/or expunging Proofs of Claim for which the Reorganized  
26 Debtors are not liable (the “**No Liability Claims**”). The No Liability Claims are identified on

27 <sup>1</sup> The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of  
28 Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 **Exhibit 1**, in the columns headed “Claim/Schedule To Be Disallowed and Expunged.” **Exhibit 1** also  
2 specifically identifies in the “Basis for Objection” that the No Liability Claims are classified as:

3 (1) “Protective Claims.” These are proofs of claim that assert protective,  
4 unliquidated claims potentially owing post-petition. The Reorganized  
5 Debtors have reviewed their books and records and have determined that they  
6 have no known liability as of the Petition Date with respect to the Protective  
7 Claims. Approval of the relief requested herein will not prejudice the holders  
8 of any of the Protective Claims because (a) the Claimants retain all non-  
9 bankruptcy remedies that would have existed had these Chapter 11 Cases not  
10 been filed and (b) the Debtors commit that they will not raise any bankruptcy  
11 defenses to future assertion of claims based on the alleged post-petition failure  
12 of the Reorganized Debtors to perform or honor their obligations relating to  
13 such claims.

14 (2) “Non-Debtor Claims.” These are Claims arising from liabilities of a non-  
15 debtor PG&E entity and for which the Debtors accordingly bear no liability.

16 (3) “Main Line Extension Reimbursement Claims.” These Claims are based on  
17 prepetition refund obligations asserted under the Debtors’ mainline extension  
18 and interconnection programs (the “**MLX Programs**”). In a limited number  
19 of cases, the Reorganized Debtors have no liability for the MLX Claims listed  
20 on **Exhibit 1** because the nature of the underlying agreement does not warrant  
21 a refund or the Reorganized Debtors’ books and records do not indicate any  
22 outstanding MLX refunds owed under the Claimant’s name. In some cases,  
23 the Reorganized Debtors have no current liability for the MLX Claims  
24 because they have not yet come due. Such unpaid refund claims arguably are  
25 not claims for which Claimants were required to submit a proof of claim either  
26 under the Bankruptcy Code or the Bar Date Order; certain of these obligations  
27 did not arise until after the Petition Date and therefore are not properly  
28 reconciled and paid pursuant to the bankruptcy claims process. For the

1 avoidance of doubt, with respect to all of these Claims, the Reorganized  
2 Debtors seek only to expunge the Claims, and any ongoing obligations will  
3 not be discharged and will be paid in the ordinary course.

4 (4) “Engineering Advances and Other Refunds.” These Claims assert prepetition  
5 refund obligations pursuant to the Debtors’ engineering advances program,  
6 whereby Customers apply for new line extension or relocation projects, which  
7 are applied to the cost of the project (the “**Engineering Advances**”). In some  
8 cases, the Reorganized Debtors have no liability for the Engineering Advances  
9 listed on Exhibit 1 because the refund will be applied to contract or  
10 cancellation costs and therefore not returned to the Claimant or the  
11 Reorganized Debtors’ books and records do not indicate any outstanding  
12 Engineering Advances owed under the Claimant’s name. In most cases, the  
13 Reorganized Debtors have no current liability for the Engineering Advances  
14 because they have not yet come due. Such unpaid refund claims arguably are  
15 not claims for which Claimants were required to submit a proof of claim either  
16 under the Bankruptcy Code or the Bar Date Order; certain of these obligations  
17 did not arise until after the Petition Date and therefore are not properly  
18 reconciled and paid pursuant to the bankruptcy claims process. For the  
19 avoidance of doubt, with respect to all of these Claims, the Reorganized  
20 Debtors seek only to expunge the Claims, and any ongoing obligations will  
21 not be discharged and will be paid in the ordinary course.

22 **IV. ARGUMENT**

23 **A. The No Liability Claims Should be Disallowed and/or Expunged**

24 The Omnibus Objections Procedures Order supplemented Bankruptcy Rule 3007(d) to permit  
25 the Reorganized Debtors to file objections to more than one claim if “[t]he claims seek recovery of  
26 amounts for which the Debtors are not liable.” Omnibus Objections Procedures Order, ¶2(C)(iii).  
27 Bankruptcy Rule 3007(e) requires that an omnibus objection must list the claimants alphabetically and  
28 by cross-reference to claim numbers. The Reorganized Debtors and their professionals have reviewed

1 each of the No Liability Claims identified on **Exhibit 1** and have determined that they do not state a  
2 basis for a current right to payment.

3 Each of the Claimants is listed alphabetically, and the claim number and amount are identified  
4 in accordance with Bankruptcy Rule 3007(e). Furthermore, in accordance with the Omnibus Objections  
5 Procedures Order, the Reorganized Debtors have sent individualized notices to the holders of each of  
6 the No Liability Claims.

7 **B. The Claimants Bear the Burden of Proof**

8 A filed proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C.  
9 § 502(a).<sup>2</sup> Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim  
10 may not be allowed if “such claim is unenforceable against the debtor and property of the debtor, under  
11 any agreement or applicable law.” 11 U.S.C. § 502(b)(1). Once the objector raises “facts tending to  
12 defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves,”  
13 *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on*  
14 *Bankruptcy* § 502.02 at 502-22 (15th ed. 1991), then “the burden reverts to the claimant to prove the  
15 validity of the claim by a preponderance of the evidence,” *Ashford v. Consolidated Pioneer Mortgage*  
16 (*In re Consolidated Pioneer Mortgage*) 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re*  
17 *Allegheny Int'l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff'd without opinion* 91 F.3d 151 (9th Cir.  
18 1996). “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting  
19 King, *Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039  
20 (9th Cir. 2000), *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (BAP 9th Cir. 1993); *In re Fidelity*  
21 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

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<sup>2</sup> Upon the Reorganized Debtors’ request, the deadline under Section 7.1 of the Plan for the Reorganized  
25 Debtors to bring objections to Claims initially was extended through and including June 26, 2021 (except  
26 for Claims of the United States, which deadline was extended to March 31, 2021) [Docket No. 9563].  
27 That deadline has been further extended through December 23, 2021, except for Claims of the California  
28 Department of Forestry and Fire Protection, which deadline was extended to September 30, 2021,  
without prejudice to the right of the Reorganized Debtors seek further extensions thereof [Docket No.  
10494]. The deadline with respect to Claims of the United States has been further extended by stipulation  
and order [Docket Nos. 10459, 10463].

1        As set forth above, the Reorganized Debtors submit that the No Liability Claims do not represent  
2 a current right to payment and, therefore, should be disallowed and/or expunged in their entirety. If any  
3 Claimant believes that a No Liability Claim is valid, it must present affirmative evidence demonstrating  
4 the validity of that claim.

5        **V. RESERVATION OF RIGHTS**

6        The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of  
7 the Proofs of Claim listed in this Objection on any ground, and to amend, modify, or supplement this  
8 Objection to the extent an objection to a claim is not granted, and to file other objections to any proofs  
9 of claims filed in these cases, including, without limitation, objections as to the amounts asserted therein,  
10 or any other claims (filed or not) against the Debtors, regardless of whether such claims are subject to  
11 this Objection. A separate notice and hearing will be scheduled for any such objections. Should the  
12 grounds of objection specified herein be overruled, wholly or in part, the Reorganized Debtors reserve  
13 the right to object to the No Liability Claims on any other grounds that the Reorganized Debtors may  
14 discover or deem appropriate.

15        **VI. NOTICE**

16        Notice of this Objection will be provided to (i) holders of the No Liability Claims; (ii) the Office  
17 of the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy Laffredi, Esq.); (iii) all  
18 counsel and parties receiving electronic notice through the Court's electronic case filing system; and  
19 (iv) those persons who have formally appeared in these Chapter 11 Cases and requested service pursuant  
20 to Bankruptcy Rule 2002. The Reorganized Debtors respectfully submit that no further notice is  
21 required. No previous request for the relief sought herein has been made by the Reorganized Debtors to  
22 this or any other Court.

23        WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the  
24 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the  
25 best interests of their estates, creditors, shareholders, and all other parties interests, and (ii) such other  
26 and further relief as the Court may deem just and appropriate.

1 Dated: April 15, 2021

**KELLER BENVENUTTI KIM LLP**

2 By: /s/ Dara L. Silveira  
3 Dara L. Silveira

4 *Attorneys for Debtors and Reorganized Debtors*

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